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SUBJECT: DEPUTY SECRETARY STEINBERG'S MEETING WITH GREEK FOREIGN
MINISTER BAKOYANNIS

CLASSIFIED BY: Daniel V. Speckhard, Ambassador, State, EXEC; REASON:
1.4(B), (D)

Summary

11. (C) Greek Foreign Minister and OSCE Chair-in-Office Theodora Bakoyannis told Deputy Secretary Steinberg May 15 that although she had stopped negotiations on an OSCE mandate in Georgia, her last proposal remained on the table in case Russia were to reconsider its position. She agreed that Russian plans for the informal OSCE Corfu ministerial in June remained unclear, but she hoped to be able to help get a dialogue started. She confirmed that OSCE would send an "election preparation" team to Afghanistan. She urged the U.S. to press Macedonian Prime Minister Gruevski to take a more constructive stance on the name issue, which she said could be solved quickly if there was political will in Skopje. She said Cyprus should be unified as part of the EU, not as a confederation with two entirely separate parts; Steinberg noted that Turkish Cypriots would have to be somehow reassured that they would not be swallowed up demographically after a settlement. Bakoyannis expressed concern about Turkish overflights and territorial claims in the Aegean, saying she did not understand the purpose behind them. She and Steinberg discussed peace prospects in the Middle East, and she urged the U.S. to help the EU's FRONTEX border agency deal with the huge influx of illegal immigrants into Greece. Steinberg expressed hope that we were on track for Greece to enter the Visa Waiver Program (VWP) soon and Bakoyannis said Parliament would be ready to ratify the necessary agreements quickly once they were received. End Summary.

Deadlock on Georgia

12. (C) Deputy Secretary Steinberg and the Ambassador followed up their meeting with Prime Minister Karamanlis (septel) with an almost two-hour discussion with Bakoyannis on both OSCE and Greek issues. Bakoyannis noted that the day before she had instructed the Greek Ambassador to OSCE to end efforts to find a new proposal that would win Russian support for re-opening the OSCE Mission in Georgia. She said the last Greek proposal remained on the table should the Russians reconsider their approach, but at present there seemed to be no point in continuing efforts to find a compromise. She said the underlying problem was that "practically no one" wanted the OSCE there - not the Russians or the Georgians, the latter because of OSCE's other roles including democratic development. She agreed with Steinberg that despite this OSCE was needed in the conflict zone, and that efforts in Geneva and New York to establish UN monitoring in Georgia seemed to be similarly deadlocked. She said she had thought of re-opening OSCE on the Georgian-controlled side only, but it was not clear that allies would support this. Having exhausted the direct approach in

negotiations, Bakoyannis said the only possibility now was to focus on improving dialogue with an eye toward possibly resuming negotiations when attitudes change.

Russia's Approach to Corfu?

13. (C) Bakoyannis said it was her impression that the meeting between Secretary Clinton and Russian Foreign Minister Lavrov had gone well, and Steinberg agreed. She said she hoped the Corfu meeting would prepare the basis for a sustained dialogue with Russia in the OSCE, in parallel with the NATO-Russia and EU-Russia dialogues. She said she sometimes got the impression there were two voices in Russia, the MFA's and the Army's. Steinberg said the general view in the USG was that the Russian military has less room now to pursue its own policies, and that both Putin and Medvedev currently needed each other's support to carry out policies.

14. (C) Steinberg asked what Bakoyannis expected at Corfu, and she said Lavrov would outline Russian ideas in Vienna a few days before, and that the agenda at Corfu would combine "harder edge" issues with softer ones. She hoped the meeting would be able to bring together four or five points of agreement that would launch a more structured dialogue. She acknowledged that the first working dinner in Corfu, where ministers would be alone to give their first reactions to a Greek paper, could be a tough discussion. She said it was clear at the December OSCE ministerial that Russia was

waiting for the new U.S. administration before showing its cards, and the Corfu ministerial offered an opportunity for Russia to explain its goals more clearly. Even though this dialogue might be contentious at first, Bakoyannis said it could be useful and that most EU members wanted to find a "new balance" with Russia.

15. (C) Steinberg said it was surprising that the Russians had not already been clearer about their purposes in the OSCE framework, and he wondered whether they had a deeper strategy or were defensively fighting on issues across the board. He said the U.S. wanted to re-frame the relationship, and the "re-set button" had been intended to get beyond the difficult issues of the past about which the Russians remained sensitive. Bakoyannis said this was a good approach, and she agreed with Steinberg that the President's upcoming visit to Russia could go a long way toward improving the atmosphere in the relationship. Noting that she had been in Moscow on U.S. Inauguration Day, she said the streets were deserted and Russians were glued to their televisions, just like the Greeks.

An Election Team to Afghanistan

16. (C) Bakoyannis said OSCE would send a team to Afghanistan to work on "election preparation," although this would not technically be an election monitoring effort because the EU had wanted to be the sole observing organization. She said she had asked NATO SYG Jaap de Hoop Scheffer about protection for the team, and Steinberg said it was a legitimate concern that was also a challenge for our "civilian surge." Bakoyannis said the team would not go to the "last two provinces" in the south, and Steinberg said the increase in U.S. military forces in the south was intended to provide additional security in Pashtun areas that were important for the election's legitimacy.

Tackling the Name Issue

17. (C) Noting that Steinberg would next travel to Skopje, Bakoyannis said that despite extensive discussions the Greeks had been unable to get through to Macedonian Prime Minister Gruevski that solving the name issue was a win-win. She said EU, NATO, and other officials had been similarly unsuccessful. She said Gruevski held all the political cards in "FYROM" after winning elections, but unfortunately he had won as an extreme nationalist on the name and other issues. She said that only the U.S. had enough political leverage over Gruevski to get him to approach the negotiations seriously. Steinberg said that if the Macedonians made the political decision to seek a solution seriously, he was confident that an acceptable name could be worked out. Bakoyannis agreed.

Cyprus: Turkey's Door to the EU

18. (C) Bakoyannis said any resolution of the Cyprus conflict would have to be based on a united country in the EU. She said a peaceful resolution would be a huge success for Turkey, showing Europeans that Turks could be part of the EU. Unfortunately, she said, top Turkish officials did not fully appreciate the importance of this factor, which in reality made Cyprus resolution much more important to Turkey than to Greece. She explained that a confederation - in reality two states - would not be workable, even if it was inaccurately called a federation. Steinberg said he believed there was an underlying interest in Cyprus in breaking down barriers, and that the international community should facilitate the development of natural flows between the two sides of the island. He added that Turkish Cypriots would have to have some institutional assurances that, as a minority, they would not disappear after resolution. Bakoyannis said the EU provided that assurance, and Steinberg replied that, because of their experience, the Turkish Cypriots did not yet have confidence in that.

Dangerous Games in the Aegean

19. (C) Asked by the Ambassador, Bakoyannis said she had not yet spoken to the new Turkish Foreign Minister, but she hoped Prime Minister Erdogan would come to Greece for the opening of the New Acropolis Museum on June 20, which would permit talks that might improve the bilateral atmosphere. Steinberg described the new Foreign Minister Davutoglu as a sophisticated thinker, but Bakoyannis said some of his past comments about Greek issues caused grave concern, although she had tried to play this down publicly by emphasizing more positive quotes. She said the Turkish overflights were a major problem, as was the theory of "gray zones" adopted by Turkey in 1996 to question the sovereignty of Greece over Aegean islands. She said that while limits on airspace, territorial sea and the continental shelf were all open to negotiation, Greek sovereignty of the islands were non-negotiable. Given this reality, she said she could not understand the overflights.

110. (C) Steinberg stressed the importance of confidence building and said we had made it clear to Turkey that we were worried about these incidents. Bakoyannis added that they put the Greek government in a difficult position, considering the effect on public opinion in Greece and the Greek government's continued support for Turkey's EU membership. She predicted Turkey probably would do something to permit the Halki Seminary to re-open, which was good, but Halki was perceived in Greece as a religious freedom issue not a bilateral issue. Bakoyannis said she had the impression that there was a feeling in Turkey of being surrounded by Greek islands, but this feeling made little sense inside the EU; no one could believe, she said, that Greece would attack Turkey.

Hope for the Middle East Peace Process?

¶11. (C) Bakoyannis said Greece was well-positioned to serve as a bridge to the Arab world and could do more in the region. She asked about U.S. views of the new Israeli government, and Steinberg said the President's upcoming meeting with Prime Minister Netanyahu would help clarify the picture on the Middle East peace process. Bakoyannis said some European Foreign Ministers had recently come back from Israel discouraged, but Steinberg urged her and her EU colleagues to withhold judgment. Bakoyannis said that if the peace process got on track again, Greece would be willing to play a role using its good relations with both Arab countries and Israel.

The Illegal Migration Challenge

¶12. (C) Noting a recent agreement between the U.S. and the EU border agency FRONTEX, Bakoyannis said Greece would welcome U.S. participation as an observer in FRONTEX's Operation Poseidon to interdict illegal migration in the Aegean. The Ambassador noted our close engagement with the Greek Coast Guard on this issue, and said we were open to further cooperation in dealing with this problem. Bakoyannis said the flood of people was overwhelming small Greek islands and causing a humanitarian crisis as smugglers leave the migrants in dire conditions. The Ambassador noted that dealing with the problem would require an EU-wide effort, with all the countries on the migration route to work together. Bakoyannis said Turkey was not implementing a bilateral alien readmission protocol signed in 2001, but Greece understood that Turkey - like Greece - faced serious challenges as a transit country. She said Greece had been active in getting the EU to fund camps in Turkey, and would continue to look for solutions that addressed all aspects of the problem and had political will behind them.

Visa Waiver on Track

¶13. (C) Steinberg said he thought we were on a "good track" for completing the VWP process and he asked Bakoyannis how Greece would move forward on the remaining agreements that were tied to VWP. She said that, after the agreements were finalized, Parliament

would ratify them as soon as it opened. She noted that the Parliamentary majority had never lost a major vote and said it would not lose on these agreements. Bakoyannis stressed that, unlike many other foreign policy issues, the VWP was something ordinary Greeks understood and would benefit from. The Ambassador added that, although this was not formally part of the VWP, we were watching closely to see that Greece completed ratification of the U.S.-EU Mutual Legal Assistance and Extradition Agreements. He explained how the final steps of the VWP process would work on the U.S. side, and Steinberg stressed that we would maintain the pace to complete the process in a timely way.

Other Issues

¶14. (C) When Bakoyannis mentioned the need to activate bilateral working groups, the Ambassador stressed that while we already had a number of groups in place for the defense and economic issues, we were lacking a similar process for political issues. The Ambassador also expressed our support for Greece in the fight against terrorism - both domestic and foreign - and Bakoyannis said Greece's support for the U.S. was strong as well. She noted that the Greek government had taken controversial measures in Parliament to fight terrorism, and the Greek police was working with

international partners including the U.S. and UK to re-organize in order to deal with the domestic threat. Steinberg noted Greek actions to stop shipments that raised proliferation concerns, and the Ambassador expressed our interest in re-activating talks on a PSI Shipboarding Agreements, which had stalled in part because of reservations on the part of ship owners. Bakoyannis said the government would be willing to talk again with the shippers. She asked whether the U.S. would increase counter-piracy forces off the Horn of Africa, and Steinberg said there was much work underway to improve the effectiveness of these operations.

¶15. (U/C) Deputy Secretary Steinberg has cleared this cable.
SPECKHARD